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Leadership Competency Series

BUILING COMPETENCIES FOR SUCCESS

(A first published article of the author who wrote this as an introduction to competency movement which happened in an MNC in India, where he had the privilege of rolling it out across the company offices in the Country)

Performance is the key for results. What predicts performance? This has been the subject of scientific inquiry over centuries. Scientists have proposed a range of factors that determine behaviour and performance. These factors include aspect of physical shape of the head, brain weight, social class, birth order, handwriting, gender, religion, IQ, cultural heritage, and so on. Additional factors that have been used to attempt to predict performance in the workplace are: technical skills, years of experience, education, personality traits, etc.

In this background a study of competencies began in the early 1970's. Researchers demonstrated that **behavioral traits and characteristics** are much more effective than **aptitude tests** in determining who is and is not successful in a job performance.

Competency-based methodology was pioneered by Hay-McBer company founder David McClelland, a Harvard University psychologist in the late 1960's and early 1970's. McClelland set out to define competency variables that could be used in predicting job performance. The variables were not based on race, gender, or socioeconomic factors. His research helped identify performance aspects that are not attributable to a worker's intelligence or degree of knowledge and skill. McClelland's article, appearing in American Psychologist in 1973, entitled "Testing for Competence Rather Than for Intelligence," was a key point of development of the competency movement as an alternative to the intelligence testing movement.

McClelland's (1973) competency methodology can be summed up in two steps:

➔ "Use of Criterion Samples" or systematically comparing superior performing persons with less successful persons to identify successful characteristics and

➔ "Identification of Operative Thoughts and Behaviours that are Causally Related to Successful Outcomes" or the best predictor of what persons can and will do in present and future situations is what they have actually done in similar past situations.

Decisions about who are "water walkers" and who are average performers is a simple way to identify competencies.

Definition of Competency

In the business world today, there is some confusion over the definition of a competency. The biggest confusion is between competencies and skills. Skills generally refer to the mastery of technique and knowledge that applies to a specific area or profession.

A **competency** refers to an individual's *demonstrated* knowledge, skills, behaviours, experience, life view and values. Competencies are observable, behavioral acts that require a combination of all these attribute to execute. They are demonstrated in a job context and, as such, are influenced by an organization's culture and work environment.

Differences in definitions notwithstanding, Hendry and Maggio (1996) suggest that when competencies are linked to the broader goals of an organization, the following common elements emerge as outcomes of a comprehensive competency model:

- ➔ Identification of characteristics and behaviours that differentiate top performers from others in relation to their contribution to strategic objectives;

- ➔ Clarification, communication, assessment, and development of characteristics that focus individuals on core organization goals;

- ➔ Description of skills, attitudes, traits, and behaviours *(and values)* that can be attached to pay, performance measurement, hiring criteria, training, organizational staffing, career development, and succession planning.

There is nothing magical about competencies. The competency paradigm is simply one way to break behaviour down into its component parts. Like any paradigm, it is useful to the extent that it helps explain reality, as we know it, and helps us influence and predict the reality of the future. Competencies are a useful concept to the extent that they can help explain why some people perform better than others do, to the extent that they help people improve their performance, and to the extent that they help people make decisions that will help them accomplish their objectives. When used effectively, the competency paradigm is a tonic for managers trying to improve their organization in these areas.

Competency Movement in India

While organizations have used the idea of competencies for over fifty years, the developing trend of the competency movement in India has resulted in a proliferation of definitions, tools, models and applications. All of which are not universally understood and applied. Organisations should consider expanding the use of competencies as a foundation for organizational change and improved performance for three reasons.

- ➔ The link between individual performance and organization performance drives competency-based learning systems. Competency development focuses on areas in which an individual, team or work group demonstrates outstanding performance and links them to strategic directions. Competency modelling can be a vehicle for moving the Extension organization forward.

- ➔ Competency development is a highly participatory process. Professionals have the opportunity to identify the knowledge, skills and behaviours they will need to get the best results as well as skills and functions that are no longer effective.

- ➔ The most important reason for organisations to consider competencies are that competency models are powerful decision-making tools. Professional organisations worldwide are finding competencies help make forward-looking human resource decisions by clarifying the knowledge, skills and behaviours needed in the future and by serving as a foundation upon which to build employee selection, training, professional development, performance appraisal, and succession planning.

Competency Experience

The American Compensation Association (1996) conducted a major survey of 217 mid to large size organizations to determine their use and experience with competencies. The survey pointed to wide use of competencies, but to varying degrees of rigour and application. The survey found organizations using competencies for:

- ➔ Communicating valued behaviours and organizational culture (75% agreed competencies have a positive effect)
- ➔ "Raising the bar" of performance for all employees (59% agreed)
- ➔ Emphasizing people (rather than job) capabilities as a way to gain competitive advantage (42% agreed)
- ➔ C Encouraging cross-functional and team behaviour (34% agreed)

Here is the research-based recommendation for organisations planning to adapt competency approach.

- ➢ Competency models must be aligned with the organisation's strategic goals and business objectives.
- ➢ Organization leaders must consistently endorse and support the use of a competency driven approach as a key ingredient to the organization's strategic success.
- ➢ Competency models must be sufficiently comprehensive to identify the competencies that distinguish exemplary employee performance.
- ➢ Outputs from the competency model must be technically reliable and valid and acceptable to the client.

One of the benefits of competencies is that the concepts are easy for most people to understand. People have a common understanding of what we mean when we say Influence, or Initiative, or Teamwork. Not only are the terms easily understood, they also generally have positive connotations. If you ask most people if they would like to be results oriented, they will say yes. If you ask them if they would like to be innovative, they'll say yes. If you ask them if they would like to be good team players, they'll say yes. So in the battle to win the hearts and minds of employees and to create a culture of competence, the language of competencies provides a means for translating the concept of a high performance culture into terms that people can embrace

M R Chandramowly

The author is Corporate Vice President - HR, Praxair India